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I took a few days off last week but did not miss any of the excitement and surprise of the U.S. election. As you know, I was not that surprised and predicted a Trump win. I think the vote was basically a vote against the establishment that Clinton represented, similar to Brexit.

It appeared to me the Clinton campaign was trying to win the women's vote and U.S. immigrants. They focused a lot of media, portraying Trump as anti immigration and a woman abuser.

I am surprised at demonstrations in the U.S. and I blame it on the media that was so biased against Trump. Numbers I seen pegged media campaign dollars spent were 97% for Clinton. Many believe Trump is against immigration/immigrants when what he is really against is the illegal immigration.

And the apparent 'groping' Trump was accused of, it is a pretty broad and generic term. If some of it was true it is nothing compared to what Hillary's husband Bill did while in the President's chair.

MORNING CONSULT

MEDIA COVERAGE OF THE 2016 PRESIDENTIAL RACE IS ...

Following Trump's comments that the media is biased against him, Morning Consult asked 2,001 voters from August 16-17 their opinions on media coverage this elections cycle. The results have a margin of error of +/- two percentage points. Full results are available at morningconsult.com

27% Fair, unbiased favors neither Trump nor Clinton

12% Biased in trying to help elect Donald Trump

38% Biased in trying to help elect Hillary Clinton

23% Don't Know/ No Opinion

I heard Bernie Sanders speak, who lost the Democratic Presidential race to Clinton and I think he hit it dead on. The Democrats have lost touch with the middle class that has been struggling for many years and that is where Trump promised to fix things – that made the difference in the election, plus it was a vote for change.

I also did not believe the polls, they were manipulated too, what happened in most cases, the polls were conducted on demographics that were pro Democrat. I would surmise if it was not for the miss leading info in the Clinton campaign, Trump probably would have won by a wider 5% to 10% margin.

As for the Clinton email issue, what is really wrong here is the fact she had a private email server. This was a severe breach of government protocol and national security. If you or I worked at any decent sized corporation, if it was found out we conducted business through a private email and not company email, we would lose our job and possibly face charges or a legal suite. What did she need to hide??

I am not pro Trump, but believe some of his policies are good and others not so. Canada is very effected by what happens in the U.S. and that is my big interest, plus the effect the election results can have on investment markets.

So I will put the election rhetoric behind me and lets have a look at the market effect. Last week was very pivotal in many ways.

Market Reaction

I was expecting a knee jerk reaction down if Trump won and that was because it would be a surprise and the media was portraying that anything Trump would do was bad for everything. Over night, over seas the markets sold off big time and I thought we would see at least one down day in the U.S., but what we did see was a big Trump rally.

I believe the markets like the lower taxes that Trump is promising and that is what I thought would eventually rally markets back up. However, a bigger factor - markets are now pricing in much higher inflation. We seen a major break down in the bond markets. That is where the big change was and it was something I was watching closely before the election because bonds were near a major support level,

[My chart of the day Oct 4th](#) showed the breaking point in the 10 year treasury. [In my October 9th issue](#), I pointed out with a chart that a drop to 128 would be very bearish.

On this weekly chart of the U.S. 10 year treasury bond, we can see the break down last week through support and the 'X' marks that we are lower today. Around 125 is next key support area.



The decline in the 30 year bond has been more severe and 150 area would be next support. It is also lower today around 153.20



[Donald Trump's surprise victory in the U.S. presidential race is pushing mutual fund managers out of dividend stocks and into the shares of financial, industrial and materials companies that stand to benefit from rising inflation.](#)

Although inflation remains subdued by most measures, U.S. longer-dated Treasury yields rose on Thursday to their highest levels in more than 10 months after Trump emphasized infrastructure spending and other fiscal stimulus measures in his acceptance speech on Wednesday. Higher inflation lowers the relative value of bonds, with long-dated debt the most vulnerable to inflation expectations.

Utility stocks in the S&P 500 .SPLRCU are down 6.1 percent since Tuesday's close, while real estate companies are down 3.8 percent over the same time.

"Cyclical companies were unduly cheap going into this election, and now we think that the inflation trade is here to stay," said Ernesto Ramos, head of equities at BMO Asset Management Group in Chicago.

Above is a good example of the market perception out there. This is also very bullish for Gold, but you would not think so with the sell off on Friday.

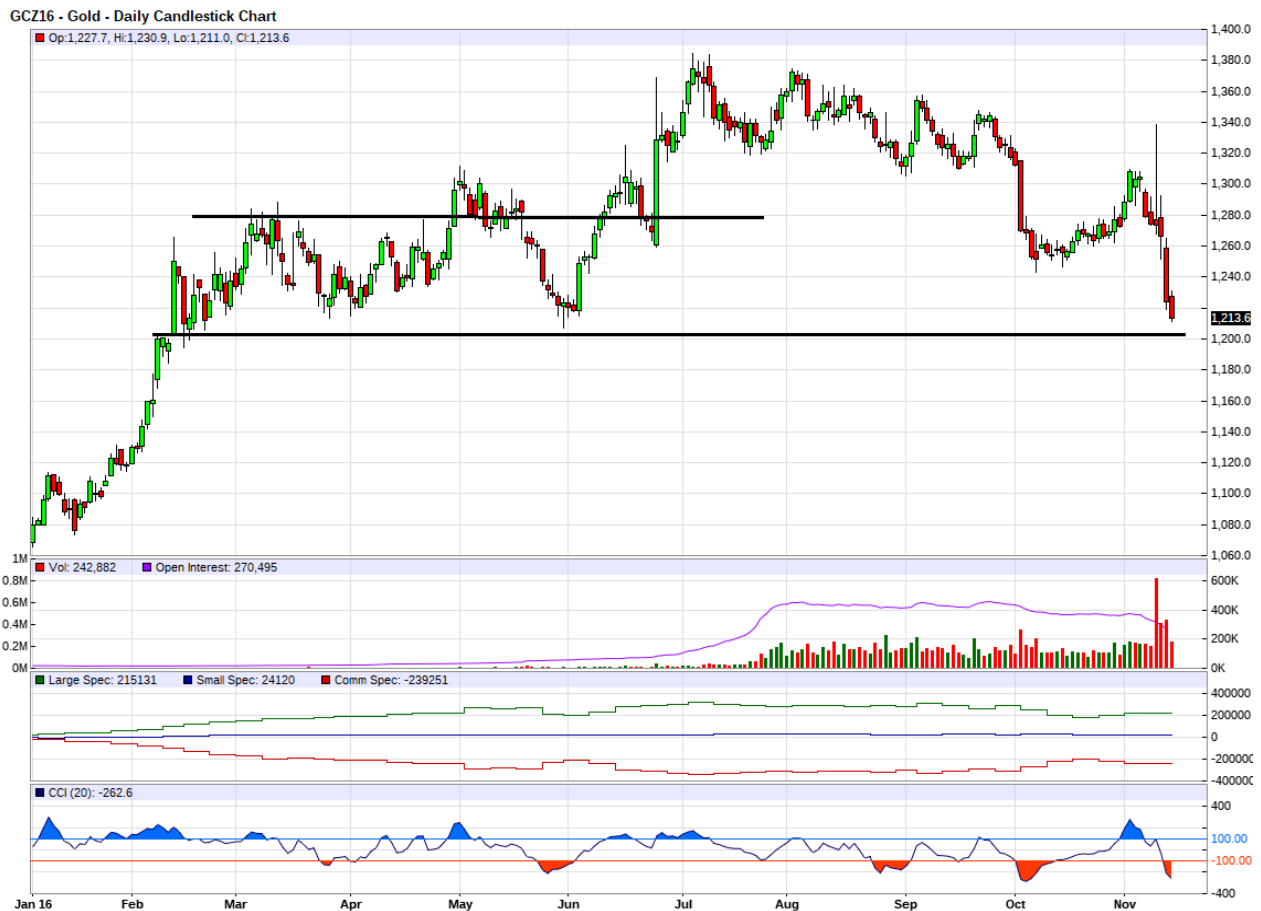
Gold

Post election we seen an over night spike in Gold around \$50 like the spike down in equities. And just as the banksters bought up the equity sell off, they shorted the Gold rally.

This was just hot short term speculative money that came into the Gold market. After equity markets rallied and everyone realized the Trump win was not an end to markets as we know of, the hot money started coming out of Gold and the price moved down.

Banksters took advantage of this Friday with thinner Veteran Day trading and the Bond markets were closed, so they whacked Gold down with massive paper trading. At King World news, [Andrew Macguire does a great job analyzing the short term trading.](#)

This did not really change anything, Gold just came down to the bottom of the support \$1220 to \$1280 range that I indicated to you. That was also highlighted in my Oct, 9th issue where I show the bottom just above \$1200.



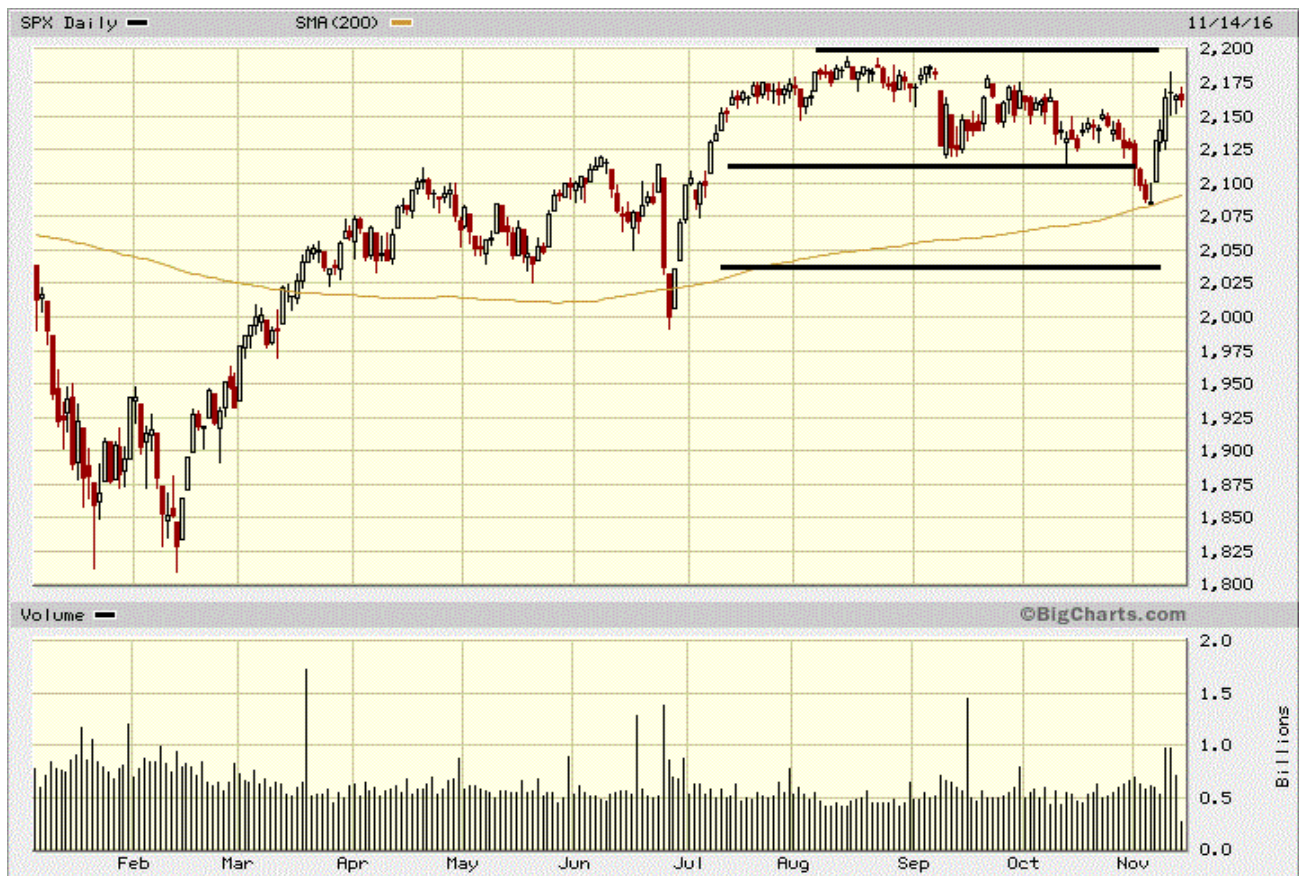
Above is the current chart with the support range. What stands out here is the unprecedented volume that McGuire talks about in his interview. With the Commitment of Traders, we may never see what the commercials (banksters) did as many probably opened and closed positions over the course of the week, but we might see more short covering when we see data a week from this Friday.

I also have shown the CCI (Commodity Channel Index) that has dropped below -100 signaling an over sold market. It could go lower still before a bottom is formed and we are lower today. I expect we will hold between here and \$1200. The CCI needs to start sloping up before it generates a buy signal.

I expect the \$1200 area to hold as the final bottom in this correction.

Here is [another view of the long term trend in Gold](#)

Below I show the S&P 500 with the two support lines I was watching. We broke support around 2120 and I was watching for a test of around 2030. if we consider the election night sell off over seas in the S&P futures we would have seen a drop close to 2030 but it does not show on this chart of U.S. trading.



The question now – can we break out to new highs with a break above 2200 or will this rally just fizzle and we head back down. So at this point I am watching 2200 and 2110 area again.

Next is our Gold stocks. We got stopped out of many and my comments were that I wanted to see more base building around the 200 – 225 area or a final break down to 185 or lower on the HUI index. Obvious as the chart shows we got the break down. I now see this as a lower risk re - entry point.

Stopped out of **NewGold – NGD** at \$5.40, buying back now at \$5.10

B2Gold BTO stopped out at \$3.25, buying back at \$3.30

Kinross K stopped out at \$5.40, buying back at \$4.65

K92 Mining stopped out at \$1.40, if you did not buy back at \$1.30, buy back now at \$1.07

Avino Silver ASM stopped out at \$2.90, buying back now at \$2.70

Alacer Gold ASR stopped out at \$2.85, buying back now at \$2.45

Coeur Mining CDE stopped out at \$12, buying back at \$9.20

Minco Silver MSV stopped out at \$1.20, buying back at \$1.00



On the chart, RSI is approaching over sold and so are stochastics. I would like to see a nice morning star reversal, hammer or doji on the candlesticks, but as of this writing the Gold stocks are on the rebound so we currently have a white candle so far today. Lets see where we end up. We were stopped out of a few advanced juniors. I will likely have another update this week covering them.

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